



## **FEDERAL RESERVE SYSTEM**

### **Agency Information Collection Activities: Announcement of Board Approval under Delegated Authority and Submission to OMB**

**AGENCY:** Board of Governors of the Federal Reserve System.

**SUMMARY:** The Board of Governors of the Federal Reserve System (Board) is adopting a proposal to extend for three years, without revision, the Disclosure Requirements of Regulation Y Associated with Minimum Requirements for Appraisal Management Companies (FR HY-5; OMB No. 7100-0370).

**FOR FURTHER INFORMATION CONTACT:** Federal Reserve Board Clearance Officer – Nuha Elmaghrabi – Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, Washington, DC 20551, (202) 452-3829. Telecommunications Device for the Deaf (TDD) users may contact (202) 263-4869, Board of Governors of the Federal Reserve System, Washington, DC 20551.

Office of Management and Budget (OMB) Desk Officer – Shagufta Ahmed – Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17<sup>th</sup> Street, N.W., Washington, DC 20503, or by fax to (202) 395-6974.

**SUPPLEMENTARY INFORMATION:** On June 15, 1984, OMB delegated to the Board authority under the Paperwork Reduction Act (PRA) to approve and assign OMB control numbers to collection of information requests and requirements conducted or sponsored by the Board. Board-approved collections of information are incorporated into the official OMB inventory of currently approved collections of information. Copies of the PRA Submission, supporting statements and approved collection of information

instrument(s) are placed into OMB's public docket files. The Board may not conduct or sponsor, and the respondent is not required to respond to, an information collection that has been extended, revised, or implemented on or after October 1, 1995, unless it displays a currently valid OMB control number.

**Final approval under OMB delegated authority of the extension for three years, without revision, of the following information collection:**

*Report title:* Disclosure Requirements of Regulation Y Associated with Minimum Requirements for Appraisal Management Companies.

*Agency form number:* FR HY-5.

*OMB control number:* 7100-0370.

*Frequency:* Event generated.

*Respondents:* Federally regulated and state regulated Appraisal Management Companies (AMCs) and U.S. states.

*Estimated number of respondents:* 3,136.

*Estimated average hours per response:* Section 225.192, 0.08 hours; Section 225.193(a), 40 hours; Section 225.193(b), 1 hour; Section 225.195, 1 hour; Section 225.196, 1 hour.

*Estimated annual burden hours:* Section 225.192, 237 hours; Section 225.193(a), 2,040 hours; Section 225.193(b), 1,174 hours; Section 225.195, 11 hours; Section 225.196, 51 hours.

*General description of report:* The Board's disclosure requirements associated with minimum requirements for AMCs are found in sections 225.192, 225.193, 225.195, and 225.196 of the Board's Regulation Y.

Section 225.192(b), Written Notice of Appraiser Removal from Network or Panel, provides that an appraiser in an AMC's network or panel is deemed to remain a part of the AMC's appraiser panel until the AMC (1) sends a written notice to the appraiser removing the appraiser with an explanation or (2) receives a written notice from the appraiser asking to be removed or a notice of the death or incapacity of the appraiser.

Participating states must have an AMC registration and supervision program. Pursuant to section 225.193(a), each participating state must establish and maintain within its appraiser certifying and licensing agency a registration and supervision program with the legal authority and mechanisms to, among other things, review and approve or deny an AMC's application for initial registration; require AMCs to submit reports, information, and documents; and report violations of appraisal-related laws, regulations, or orders, and disciplinary and enforcement actions to the Appraisal Subcommittee.

Section 225.193(b) requires each participating state to require non-federally regulated AMCs to register with the state appraiser certifying and licensing agency.

Section 225.195(c) requires a federally regulated AMC to report to the state or states in which it operates the information required to be submitted by the state pursuant to the Appraisal Subcommittee's policies regarding the determination of the AMC National Registry fee, including information relating to certain ownership limitations in the regulation.

Section 225.196 requires that each participating state submit to the Appraisal Subcommittee the information required to be submitted by Appraisal Subcommittee regulations or guidance concerning AMCs that operate in the state.

There are no required reporting forms associated with these information collections. No other federal law mandates these disclosure requirements. This information is not available from any other source.

*Legal authorization and confidentiality:* The FR HY-5 is authorized pursuant to section 1124(a) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), which provides that the agencies “shall jointly, by rule, establish minimum requirements to be applied by a State in the registration of [AMCs]” (12 U.S.C. 3353(a)). Section 1124(e) of the FIRREA requires that the agencies “jointly promulgate regulations for the reporting of the activities of [AMCs] to the [Appraisal Subcommittee of the Federal Financial Institutions Examination Council (ASC)] in determining the payment of the annual registry fee” (12 U.S.C. 3353(e)). In addition, section 1109(a) of the FIRREA requires each participating state with an appraiser certifying and licensing agency to transmit to the ASC “[1] a roster listing individuals who have received a State certification or license . . . [2] reports on the issuance and renewal of licenses and certifications, sanctions, disciplinary actions, license and certification revocations, and license and certification suspensions on a timely basis to the national registry of the [ASC] . . . [3] [and reports on] investigations initiated and disciplinary actions taken” (12 U.S.C. 3338(a)(1)-(3)). Section 1124 of the FIRREA does not compel a state to establish an AMC registration and supervision program, nor is a penalty imposed on a state that does not establish a regulatory structure for AMCs.<sup>1</sup> Therefore, the FR HY-5 is voluntary for states. The FR HY-5 is mandatory for AMCs.

Because the Federal Reserve will not collect this information, confidentiality issues would normally not arise. Because the records are retained at banking

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<sup>1</sup> 80 Fed. Reg. 32658 (June 9, 2015).

organizations, the Freedom of Information Act (FOIA) will only be implicated if the Board's examiners retain a copy of the record as part of an examination or supervision of a banking institution. In that case, the records would be exempt from disclosure under exemption 8 of FOIA, which protects examination materials from disclosure (5 U.S.C. 552(b)(8)). Exemption 4 of the FOIA, which protects confidential financial information, and exemption 6 of the FOIA, which protects non-public personal information, may also be applicable (5 U.S.C. 552(b)(4) and (b)(6)).

*Current actions:* On March 6, 2019, the Board published a notice in the *Federal Register* (84 FR 8098) requesting public comment for 60 days on the extension, without revision, of the FR HY-5. The comment period for this notice expired on May 6, 2019. The Board did not receive any comments.

Board of Governors of the Federal Reserve System, June 11, 2019.

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**Michele Taylor Fennell,**

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